



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

June 5, 2009

Shafiel Ahmed, Chief Financial Officer
NHK Laboratories, Inc.
12230 E. Florence Avenue
Santa Fe Springs, CA 90670-3806

Dear Mr. Ahmed:

RE: FINAL MONITORING REPORT for NHK LABS (ET07-0289)

Date of the Visit:	06/05/09
Beginning/Ending Time:	9:30 – 11:30 a.m.
Date of Last Visit:	10/03/08
Visit Location:	Santa Fe Springs
Persons in attendance:	Roland Sabilla, Controller, NHK Labs Margarita M. Paccarelli, ETP Contract Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	03/19/07 – 03/18/09	Agreement Amount:	\$49,140
Training Start Date:	03/19/07	No. to Retain:	35
Date Training must be Completed:	01/18/09	Range of Hours:	8 - 60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	60

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on March 14, 2007 and training began on March 19, 2007. Your project staff reported that all training was completed on January 18, 2009, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement - March 18, 2009.

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- **FINAL PROJECT STATISTICS**

Project Statistics Provided by the Contractor

Trainees Started Training:	34	Currently in Training:	0
Trainees Enrolled:	34	Completed Training:	31
Dropped Following Enrollment:	3	Completed Retention:	31

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 8 and 60 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 8 hours of training from the approved curriculum.

Based on the data obtained from the ETP Online Tracking System, there are 31 trainees who met the minimum class/lab training hours. These trainees completed 1,135 class/lab hours, which will result in projected earnings of \$29,510 (60% of the Agreement amount). Since your company has received \$13,635.18 in progress payments, you will receive an additional \$15,874.82, if the anticipated number to retain is verified during the final fiscal closeout.

Mr. Sabilla was provided technical assistance on how to do the final contract closeout during this visit and he was advised that all active trainees must either be dropped or invoiced for final payment at this time. By the terms of the agreement the final contract closeout should be completed within 30 days of the end term date of the Agreement. Since the deadline has passed, the Analyst is giving your company a 15-day extension from the final visit date to closeout this contract. The final contract closeout invoice and associated documents must be submitted to ETP on or before the close of business on June 20, 2009.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

When queried on the company's low completion rate, Mr. Sabilla attributes it to the company closure of your subcontractor, Lexicon Training Services, who was providing training services and project administration. On top of that, Mr. Sabilla was the fourth company staff to oversee this project. The three prior company personnel who were overseeing this project are no longer with the company.

Although your company did not complete 100%, Mr. Sabilla stated that the training improved trainee efficiency, improved maximum return of investment, and allowed the company to have a better control of the business. He also added that staff has a greater sense of commitment and support from the company.

Mr. Sabilla reported he did not experience any problems with ETP record keeping and that ETP staff was very helpful in providing technical assistance in the administration of this Agreement.

TRAINING RECORDS

Ms. Paccereilli conducted a random sampling of 10 trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 23.5 and 60 class/lab training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at mpaccereilli@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Wally Aguilar, Program Manager
North Hollywood Regional Office

Signature on file

Margarita M. Paccereilli, Contract Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Audit & Program Operations Division (via email)
Kulbir Mayall, Manager, Fiscal and Certification (via email)
Roland Sabilla, NHK Laboratories (via email)
Master File
Project file

Date report mailed to Contractor 6/10/09